



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

<b>Bill #</b>	HB0840	<b>Title:</b>	Revise license plate laws
<b>Primary Sponsor:</b>	Hilbert, Edward	<b>Status:</b>	As Amended in Senate Committee

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input type="checkbox"/> Needs to be included in HB 2  | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<b>Expenditures:</b>				
General Fund	\$10,000	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$21,173	\$42,346	\$42,346	\$42,346
<b>Net Impact-General Fund Balance</b>	<u>\$11,173</u>	<u>\$42,346</u>	<u>\$42,346</u>	<u>\$42,346</u>

**Description of fiscal impact:** HB 840 provides that trailers be issued standard sized license plate. The bill also allows generic specialty license plates to be permanently registered.

### FISCAL ANALYSIS

#### Assumptions:

#### Revenue

- For the purposes of this fiscal note, it is assumed that the effective date for HB 840 will be January 1, 2008 (based upon 1-2-201, MCA).
- Section 1 of HB 840 provides that a standard license plate be issued for trailers.
- Currently there are 264,664 trailers permanently registered in Montana. For the purposes of this fiscal note, it is assumed that annually approximately 26,466 (10 percent) of registered trailers would be required to get a standard license plate due to change ownership.
- Approximately 16% of the light motor vehicles eligible are currently registered with a generic specialty license plate. Applying that same percentage to the estimated number of trailers registered annually with a standard sized license plate as provided in this bill, approximately 4,235 trailers would be registered annually utilizing the option for a generic specialty license plate as provided by this bill. This would

increase general fund revenues approximately \$21,173 in FY 2008 and \$42,350 in FY 2010 and FY 2011. (FY 2008  $4,235 \times \frac{1}{2} \text{ year} \times \$10.00 = \$21,173$ ; FY 2009, FY 2010 and FY 2011  $4,235 \times \$10 = \$42,350$ . No calculation has been made for estimated annual growth in these numbers).

**Expenses**

5. To configure the MERLIN (Montana Enhanced Registration and Licensing Information Network) system to be in compliance with the requirements of this bill, the DOJ will facilitate a change order with Bearing Point/3M.
6. It is estimated that Bearing Point/3M will need to: identify the system requirements to bring the MERLIN system into compliance with this bill; develop the MERLIN system to adhere to the identified requirements; and test the system to ensure it is configured to be compliant with the requirements of this bill.
7. The estimate cost of the change order for this work to be completed by Bearing Point/3M is \$10,000.

	<b><u>FY 2008 Difference</u></b>	<b><u>FY 2009 Difference</u></b>	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
FTE	0.00	0.00	0.00	0.00
<b><u>Expenditures:</u></b>				
Operating Expenses	\$10,000	\$0	\$0	\$0
<b>TOTAL Expenditures</b>	<u>\$10,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$10,000	\$0	\$0	\$0
<b>TOTAL Funding of Exp.</b>	<u>\$10,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Revenues:</u></b>				
General Fund (01)	\$21,173	\$42,350	\$42,350	\$42,350
<b>TOTAL Revenues</b>	<u>\$21,173</u>	<u>\$42,350</u>	<u>\$42,350</u>	<u>\$42,350</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$11,173	\$42,350	\$42,350	\$42,350

**Effect on County or Other Local Revenues or Expenditures:**

1. Generic specialty plate administrative fees would increase revenues for the counties approximately \$10,587 in FY 2008 and \$21,175 in FY 2009, FY 2010, and FY 2011. Revenue increases for the sponsors of the generic specialty plates would be directly proportional to the donations specified for each particular generic specialty license plate.

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Sponsor's Initials\_\_\_\_\_  
Date\_\_\_\_\_  
Budget Director's Initials\_\_\_\_\_  
Date